

Chapter 6: Housing

Introduction

The housing component of this Plan provides a descriptive overview of the housing landscape of Circle Pines. Housing is discussed in terms its physical characteristics, the households that live here, and affordability. This Plan provides an opportunity to identify the housing **needs** that currently exist within the community. Recognizing the existence of housing needs allows for the development of **housing goals** that can guide City actions through the year 2040. These goals can be achieved by identifying specific **tools and strategies** that the city will consider using when the circumstances and timing allow.

Existing Housing Assessment

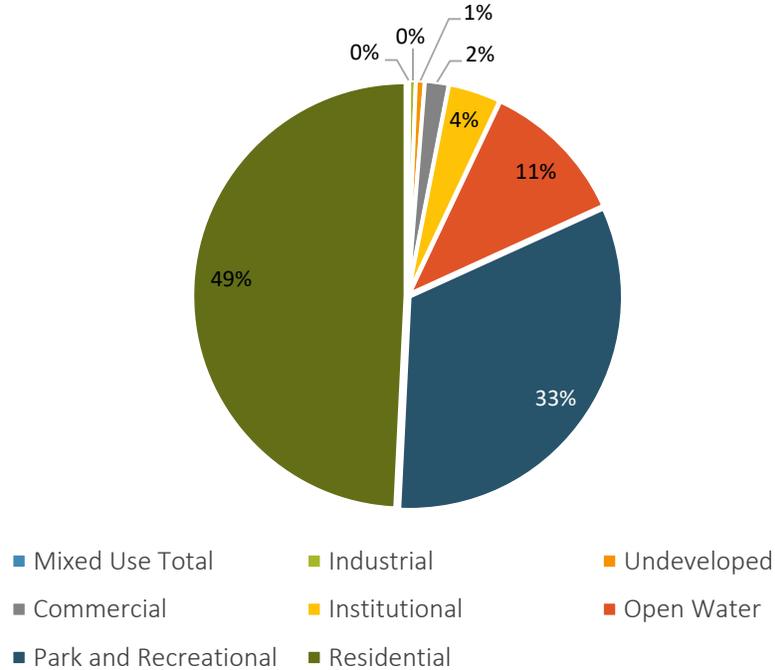
Circle Pines is a developed suburban community defined by its residential character.

Housing by the Numbers

Half of the land in the city is devoted to residential uses, and the remaining half is largely made up of open and natural spaces. As a fully built community, only one percent of the land in the city remains undeveloped.

FIGURE 1: EXISTING LAND USE IN CIRCLE PINES (SOURCE: METROPOLITAN COUNCIL 2016 GENERALIZED LAND USE)

Circle Pines Existing Land Use (by percent of total acres)



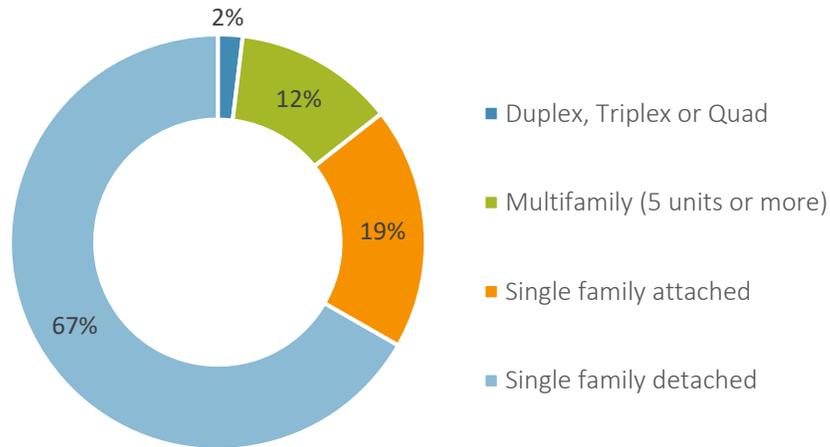
Of the 612 acres devoted to residential uses in Circle Pines, 88 percent of those acres contain single family homes.

Metropolitan Council estimates indicate there were 2,085 units of housing in Circle Pines in 2016. While the majority (two-thirds) of these units are single-family homes, one third of the housing units in Circle Pines are some variety of “attached” housing, whether that be townhomes, multiplex housing or apartments.

FIGURE 2: HOUSING UNITS BY TYPE

Housing Units

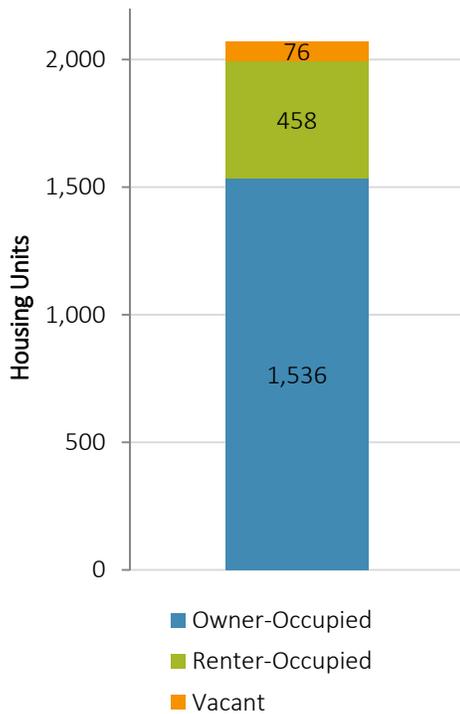
by number of units in structure



Data source: Metropolitan Council (2016)

FIGURE 3: HOUSING TENURE

Tenure of Housing Units



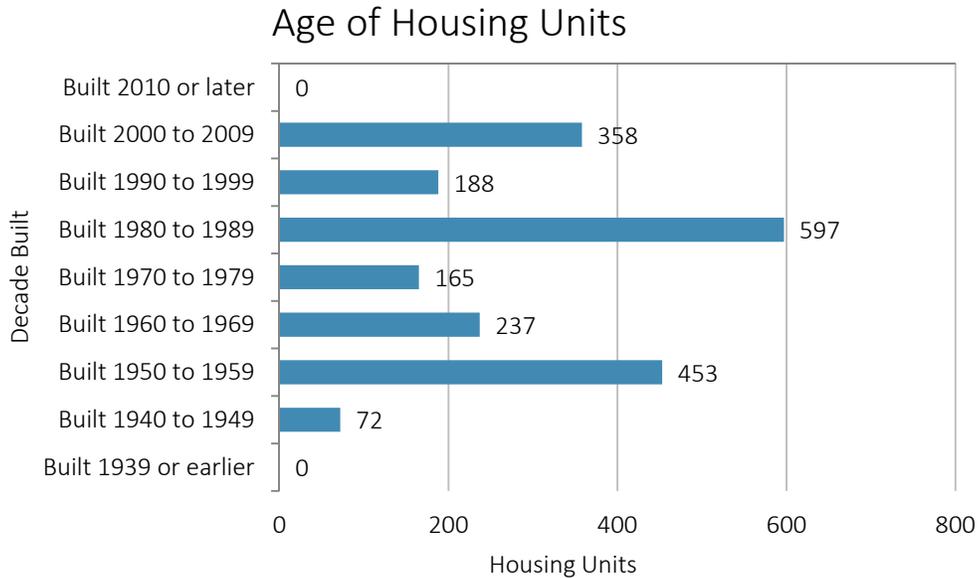
Data Source: ACS 2012-2016 Estimates

Around three-quarters of Circle Pines housing units are owner-occupied, although that percentage has declined significantly in recent years. In 1990, fully 94 percent of housing units in Circle Pines were owner-occupied. As the overall number of housing units in the community has grown from around 1,600 in 1990 to over 2,000 today, renter-occupied housing is has become much more prominent feature of the City’s housing landscape.

In 2016, four percent of the City’s housing units were vacant.

There have been several spikes in housing construction in Circle Pines since the initial incorporation of the city in the 1940s, as shown in Figure 4. These housing spikes largely correspond with larger regional housing construction booms in the 1950s, 1980s and early 2000s. No housing has been built in Circle Pines in or after 2010.

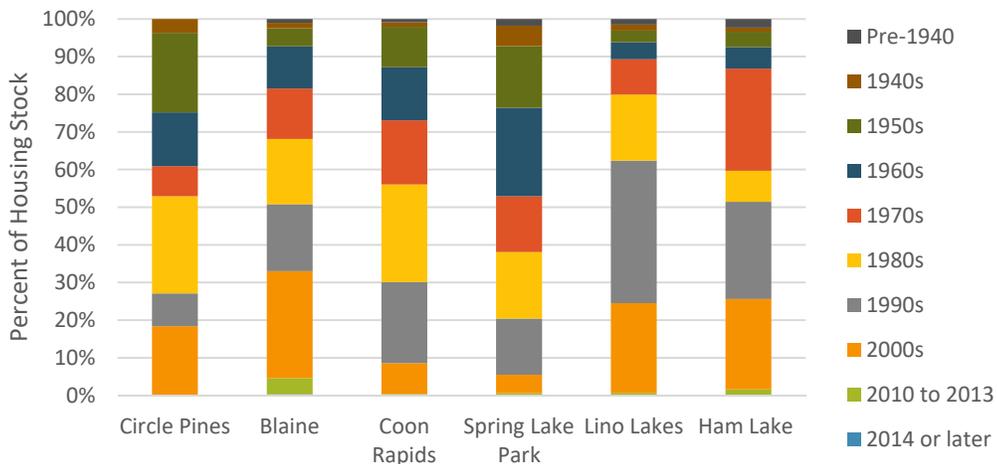
FIGURE 4: AGE OF HOUSING UNITS IN CIRCLE PINES



Data source: ACS 2012-2016 Estimates

In comparison to most of its neighboring cities, Circle Pines tends to have a greater representation of housing from the pre-1950s era and fewer homes from the 1990s

FIGURE 5: Age of Housing Stock in Circle Pines and Surrounding Cities (ACS 2015 Estimates)



decade. Like Coon Rapids and Spring Lake Park, most of Circle Pines’ housing was constructed prior to 1990 but unlike those two cities, Circle Pines has experienced a significant amount of post-1990s construction as well.

Housing Affordability

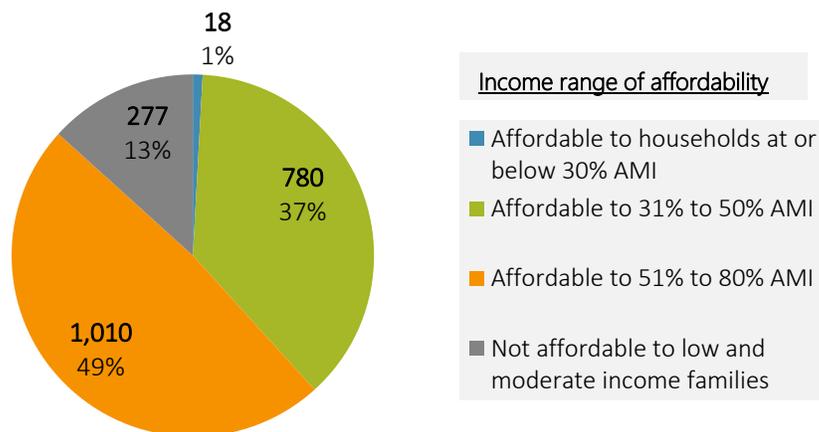
The Metropolitan Council looks at housing affordability through the lens of area median income, or AMI. For a family of four, regional AMI in the Twin Cities is \$85,800. Households that have an income at or below 80% of the regional AMI are the targeted population for affordable housing.

Per the Metropolitan Council’s 2016 Existing Housing Assessment for Circle Pines, fully 87 percent of Circle Pines’ 2,085 housing units are affordable to low- or moderate-income households that are at or below 80 percent of AMI. Of the total housing units in Circle Pines,

- 18 units (1 percent) are affordable to those households at or below 30% of AMI (below \$25,750)
- 780 units (37 percent) are affordable to those households between 31 and 50 percent of AMI (\$25,750 - \$42,900)
- 1,010 units (49 percent) are affordable to those households between 51 and 80 percent of AMI (\$42,900 - \$65,700)
- 277 units (13 percent) are not considered affordable

FIGURE 6: AFFORDABILITY OF EXISTING HOUSING IN CIRCLE PINES

Existing Circle Pines housing units by affordability level



Data source: Metropolitan Council Existing Housing Assessment (2017)

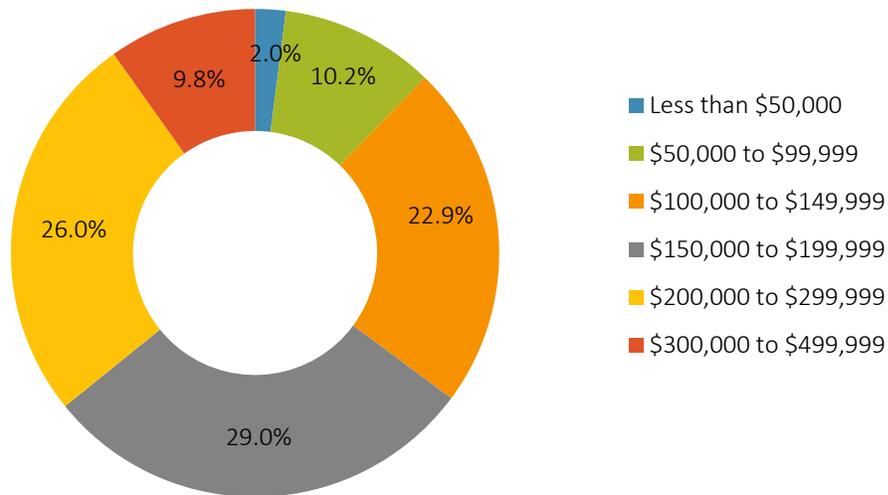
Area median income for a family of four = \$85,800

There are 47 publicly subsidized housing units in Circle Pines, accounting for only 2 percent of total housing units in the City.

Three-quarters of Circle Pines’ housing is owner-occupied. The owner-occupied housing in Circle Pines is comprised of a range of values from across the affordability spectrum, and on the whole, can largely be considered affordable. Figure 7 shows that around two-thirds of homes in Circle Pines are values at or below \$200,000.

FIGURE 7: VALUE OF OWNER-OCCUPIED HOUSING UNITS

Value of Housing Units for owner-occupied housing



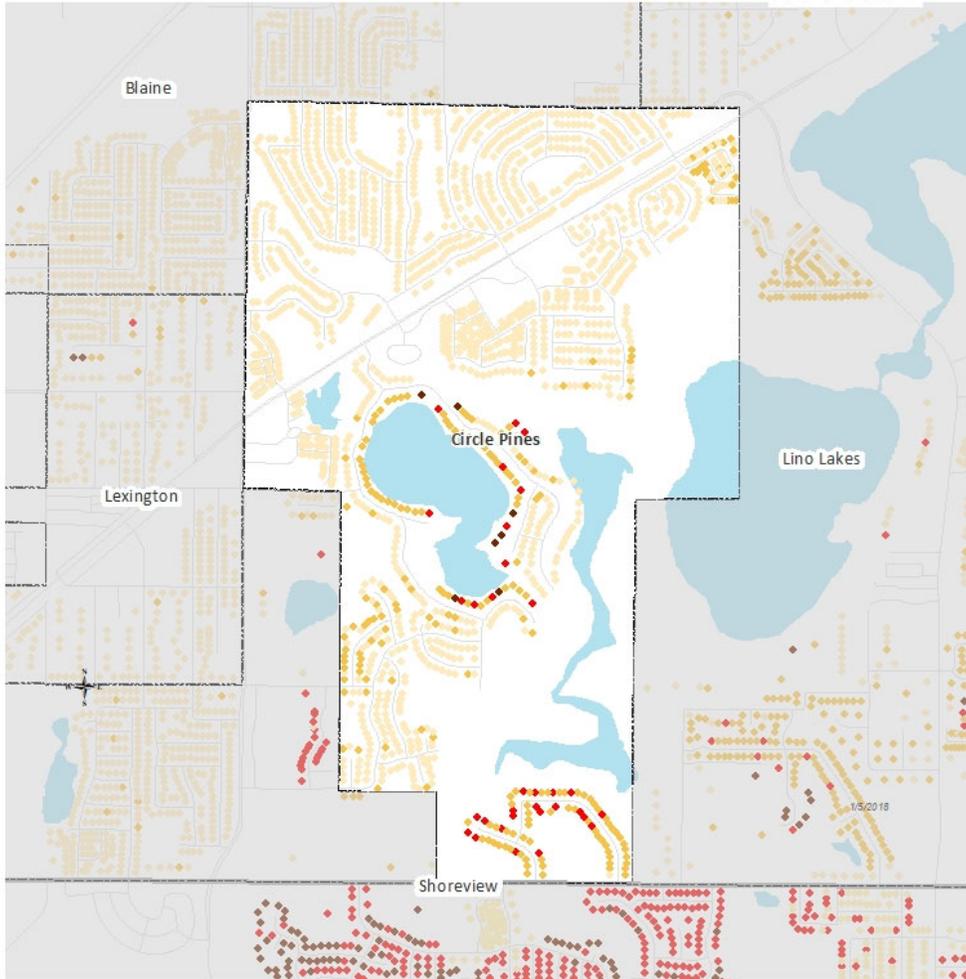
Data source: ACS 2012-2016 Estimates

Figure 8 from the Metropolitan Council gives a visual look at home affordability in Circle Pines, with affordability thresholds shown as colored dots ranging from light tan (homes valued at or below \$243,500 and affordable to those households making at or below 80% of AMI) to deep red (homes valued at more than \$450,000). This map shows that a majority of owner-occupied housing in Circle Pines is considered affordable to households at the threshold of 80 percent of AMI and below.

FIGURE 8: MAP SHOWING RELATIVE VALUE OF OWNER-OCCUPIED HOUSING IN CIRCLE PINES

Owner-Occupied Housing by Estimated Market Value

Circle Pines



 County Boundaries	Owner-Occupied Housing
 City and Township Boundaries	Estimated Market Value, 2016
 Streets	 \$243,500 or Less
 Lakes and Rivers	 \$243,501 to \$350,000
	 \$350,001 to \$450,000
	 Over \$450,000

1 in = 0.32 miles



Source: MetroGIS Regional Parcel Dataset, 2018 estimated market values for taxes payable in 2017.

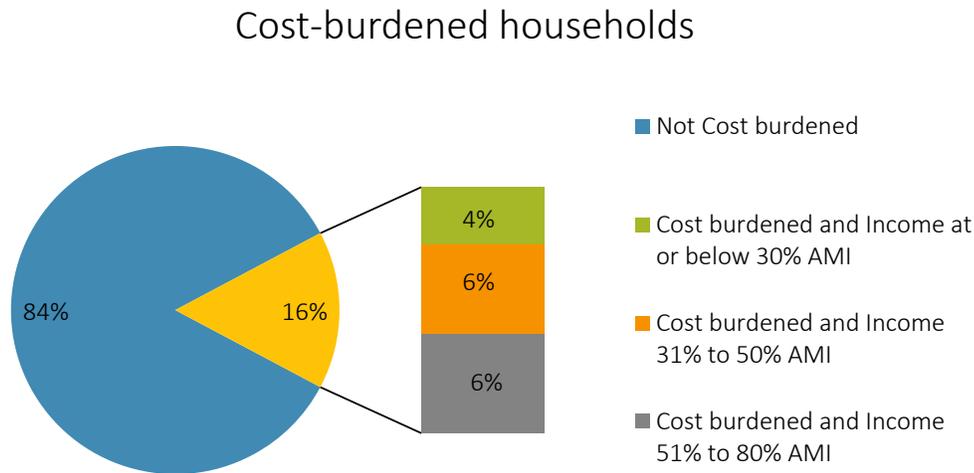
Note: Estimated Market Value includes only homes/leased units with a building on the parcel.

Shifting from a discussion of housing units to households, the Metropolitan Council’s Existing Housing Assessment also provides an evaluation of housing cost-burden in Circle Pines.

While the price of housing units relative to area median income is one measure of housing affordability in a community, another way to examine the impact of housing costs is by looking at cost-burdened households. Households are “cost-burdened” if their housing costs are at or over 30 percent of their income. This is an indicator of households that are spending a disproportionate share of their income on housing. The implications of a housing cost burden are most severe for households in the lowest income tier.

Figure 9 illustrates the share of households in Circle Pines that are cost-burdened (16 percent) and the income tier in which those cost-burdened households fall. While the vast majority of Circle Pines’ households are *not* considered cost-burdened, it is important to consider that factors that contribute to cost burden, including insufficient low-to-moderately priced housing, the mismatch or gap between of household incomes and housing costs, an increasingly tight housing market, and changing community demographics and housing preferences.

FIGURE 9: HOUSING COST BURDEN IN CIRCLE PINES



Regional Housing Allocation

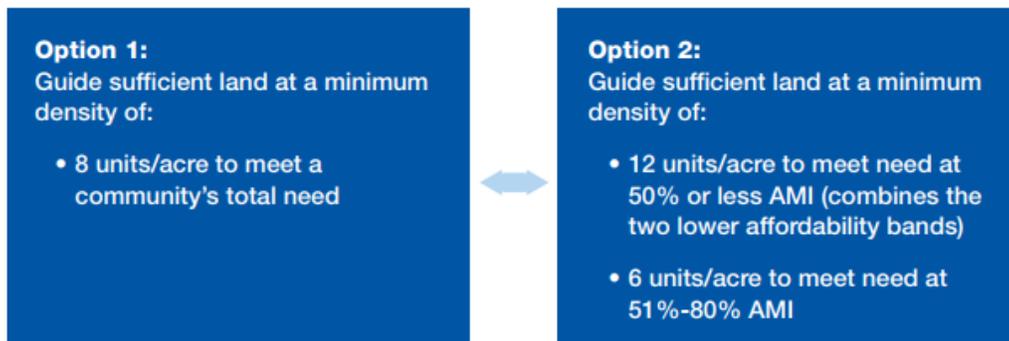
The Metropolitan Council published a Housing Policy Plan in 2014 as a component of *ThriveMSP 2040*, which includes a projection for the region’s need for new affordable housing units between 2021 and 2030. The Housing Policy Plan has

determined the affordable housing requirement for every community by affordability level, based on a household’s relationship to the area median income (AMI). To meet this overall regional need for new affordable housing, Circle Pines (along with most communities across the region) is expected to share the task of developing new affordable housing.

The City’s *existing* affordable housing share is one factor in determining Circle Pines affordable housing allocation, but it is not the sole factor. The Metropolitan Council considers the amount of projected growth in households for the 2021 – 2030 decade as a starting point, and then adjusts the affordable housing allocation based on a community’s existing share of affordable housing as well as the ratio of low-wage jobs to low-wage workers. Circle Pines is expected to grow in the 2021 to 2030 decade (although very modestly), and thus is responsible for a share of the region’s affordable housing allocation. Circle Pines’ 2021-2030 affordable housing share is shown in the table below.

Affordable Housing Need Allocation, 2021-2030	
At or Below 30% AMI	9
From 31 to 50% AMI	2
From 51 to 80% AMI	4
Total Units	15
<i>AMI = Area Median Income</i>	

As shown in the table above, the City must guide sufficient land in its Land Use Plan to accommodate **15 new affordable units** in the 2021-2030 decade. Metropolitan Council guidance establishes density as a proxy for planning for new affordable housing in the community. The Metropolitan Council defines two different mechanisms for guiding sufficient land in a community to meet the affordable housing allocation. **As demonstrated in the Land Use chapter of this plan, Circle Pines has met the requirements using Option X.** Trends that Impact Housing



1. Aging population

The Twin Cities region overall is experiencing a demographic shift toward a greater proportion of senior residents, and this trend can be observed in Circle Pines where the greatest increases in population from 2000 to present have been in the older age categories (Figure 10 below). As the city experiences an increase in the share of older residents compared to twenty years ago, the housing needs and preferences of its residents may also shift. Seniors may look to downsize or relocate into housing that is appropriately designed for older adults, and may also desire assistance with housing maintenance on older homes. Many will look for opportunities to “age in place,” or remain in the community even as their housing and service needs change. Meeting the needs of older residents will be an increasing necessity over the decades to come.

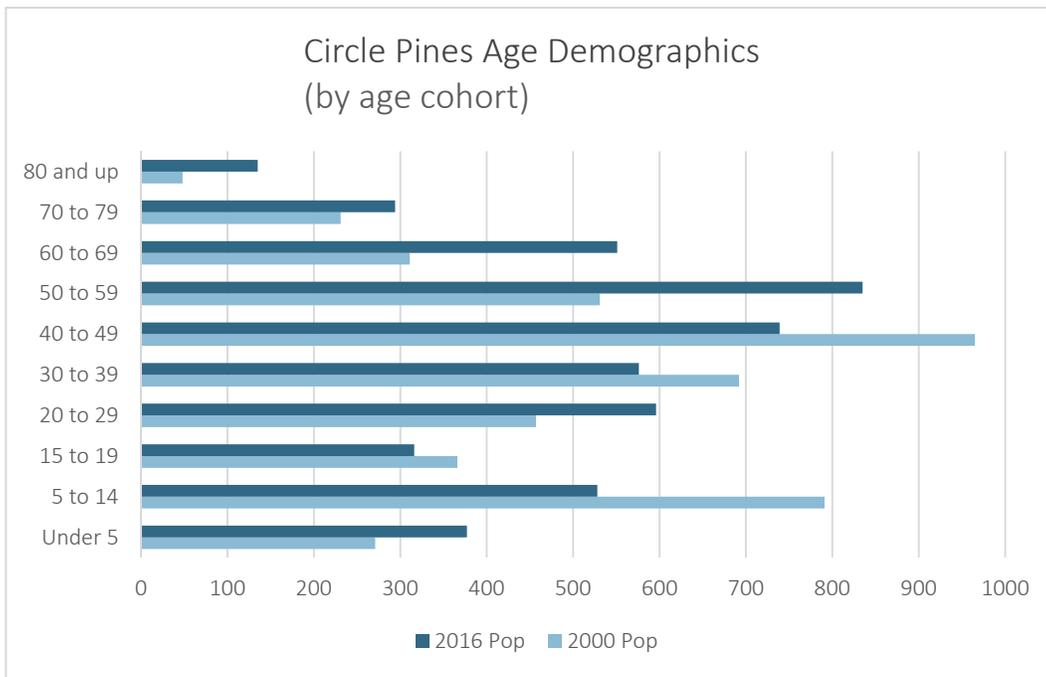


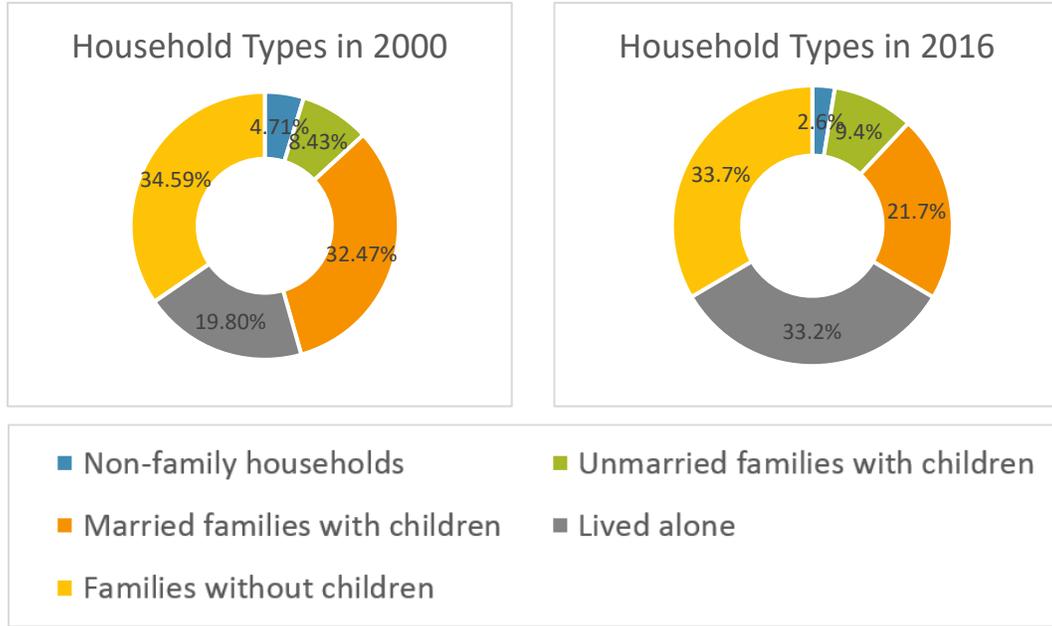
FIGURE 10: AGE OF CIRCLE PINES RESIDENTS, 2000 AND 2016

2. Shifting definition of “household”

A household may be made up of a single member, or may be comprised of several members who may or may not be related. In 2000, a third of Circle Pines households were married families with children, and 20 percent of households were people who lived alone. Now in 2016, those values have flipped: only 22 percent of households are married families with children, and fully 33 percent of households are people living alone. This mirrors an overall regional trend toward more single-member households and “non-traditional” household structures. A

shift of this nature is likely to have implications for housing demand, as preferences shift away somewhat from the traditional single family home.

FIGURE 11: HOUSEHOLD TYPES IN CIRCLE PINES, 2000 COMPARED TO 2016



3. *Deferred maintenance*

A large percentage of the homes in Circle Pines were built during or prior to the 1950s. Older homes tend to accrue general upkeep issues and run the risk of losing value if property owners are unable to keep up with maintenance demands. On the other hand, older homes also tend to comprise those housing units considered “naturally affordable” because of their older style and general depreciation of housing value over time. Maintaining the value of the existing housing stock without sacrificing affordability will be a key housing goal over the next 25 years.

Housing Goals

Provide housing opportunities, which meets the needs of all generations and income levels, particularly varying type of independent and accessible senior housing.

The City supports the development of well-designed and appropriately located multi-family housing projects when these developments improve access to affordable housing and transit, create positive community impacts, and preserve natural resources.

As housing preferences change, the city supports taking actions that improve the quality of the existing housing stock and supports the development of housing meets the needs of the population today.

Tools to Achieve Housing Goals

Tax Increment Financing

Circle Pines may create a tax increment financing (TIF) district with the TIF bonds issued used to support the construction of affordable housing.

Anoka County Community Development

Anoka County Community Development offers assistance programs, including CDBG and HOME funds, when funding is available that support housing rehabilitation and affordable housing projects. Circle Pines will continue to work with the County HRA when appropriate and funding, programs and opportunities become available.

Zoning Regulations

Circle Pines will continue to monitor its zoning and subdivision ordinances to make certain that its regulatory policies align with its housing goals and aspirations as outlined in this Plan. Zoning regulations should be in alignment with and support the City's housing goals.

First Time Homebuyer, Down Payment Assistance and Foreclosure Prevention Programs

The City encourages residents to access existing programs available through Anoka County Community Action Partnership, as well as the Minnesota Homeownership Center and the StartUp program through Minnesota Housing. The City will continue to form partnerships with external organizations who offer these programs and seek to provide referral information wherever possible. These programs will be especially valuable to households at or below 80% AMI that would otherwise face extreme hardships in purchasing or maintaining a home.

Rental License, Inspection and Code Enforcement

Circle Pines already offers inspections and enforcement programs as well as a rental licensing program. These programs help to ensure that properties are well-maintained, and

that rental tenants have access to safe and fair living environment. The City intends to continue these programs, which help Circle Pines achieve its housing maintenance goals.

Anoka County Community Action Partnership

ACCAP offers a variety of programs and service to Circle Pines community that help to achieve the City's affordable housing goals. ACCAP manages affordable rental properties, offers housing rehabilitation and weatherization funding, home ownership education and foreclosure prevention counseling, and crisis funding. Many of these programs are targeted to low-to-moderate income households. Circle Pines will continue to make appropriate referrals to ACCAP and work with this organization to help achieve the City's affordable Housing goals.